



MENO RISCHI, PIÙ COMPETITIVITÀ

PRESS RELEASE

Comunicazione
Stefania Pensabene
Ufficio Stampa
Daniela Mecenate
Tel. +39 06 6736911
d.mecenate@sace.it

FIRST HALF-YEAR RESULTS: NET INCOME € 149.3 MILLION

First half-year 2007 SACE Group Results:

- **Gross profit: € 238.1 million**
- **Net income: € 149.3 million**
- **Premiums gross of fees: € 114.3 million**
- **Losses: € 17.4 million**

Rome, October 12th, 2007 - Today, the Board of Directors of SACE SpA approved the consolidated financial statements for the period ending June 30th, 2007. The results recorded by the group as a whole exceeded business plan forecasts and constitute an improvement with respect to the data for the same period in 2006, after adjustments for extraordinary components and the return of €3.5 billion to the Ministry of the Economy and Finance.

In view of the foregoing:

- The SACE Group's **gross profit** for the first half-year was €238.1 million, more than twice the post-adjustment results for the same period in 2006.
- **Consolidated** net income was €149.3 million, 34% up on the adjusted data for the first half of 2006.

The improvement in the quality of the Group's results was due to the contribution of all business lines (above all financial guarantees, SME products and foreign investment protection policies), and impacted positively on the Group's capital and revenue profiles. During the first half year the **diversification of portfolio risks** continued. Important activities were sustained in Russia and Brazil and there has been an upsurge in operations in the Mediterranean basin (above all Egypt and Turkey), Ukraine and Kazakhstan, reflecting the strong investment flows by companies in these areas. Furthermore:

- Consolidated **gross premiums** accruing to the first six months of 2007 amounted to about €114.3 million, representing a 52% year-on-year growth. The increase in premiums refers not only to the consolidation of traditional credit insurance products but also to the performance of innovative products with a mixed insurance-financial character.
- **Loss claims** for the period amounted to €17.4 million, representing an 11% year-on-year reduction and confirming the decline in overall loss claims.
- Reorganisation **and credit recovery** operations generated about €35 million in capital gains.

The Company has, furthermore, pursued **cost-cutting measures** with significant results. Thus, on June 30th, 2007, the parent company recorded an 8% year-on-year reduction in expenditure due to the greater attention being dedicated to efficient spending. At the group level, costs recorded a 1% increase over that period reflecting investments in subsidiaries.



MENO RISCHI, PIÙ COMPETITIVITÀ

PRESS RELEASE

Comunicazione
Stefania Pensabene
Ufficio Stampa
Daniela Mecenate
Tel. +39 06 6736911
d.mecenate@sace.it

PRODUCT-COMPANIES

In first half of 2007 excellent performance was recorded in the sector of credit insurance and sureties through the Group companies operating in the market:

- in the first six months of the year, **SACE BT**, the product company specialised in credit insurance, recorded gross premiums for €13.2 million (an 89% year-on-year increase) with a 59.7% loss ratio, which is in line with the ratio for the same period last year. The pre-tax results were €355,000 against a loss of €514,000 posted in June 2006. The growing importance of "umbrella" export-insurance cover with respect to single policies (global credit policy as against multi-export policy) and improvements in the reinsurance structure have contributed to this result. And, last but not least, the Online Multi-Export service was launched, the sector's first policy to be wholly managed by customers over the Internet.
- **ASSEDILE**, the product company specialised in sureties, closed the first half year with a 12.2% increase in premiums in the sureties sector (at €14million) and a 23% growth in premiums from the construction sector (at €6.3 million), despite the slowdown in public works.

SIGNIFICANT EVENTS IN THE HALF-YEAR PERIOD

The Board of Directors of SACE SpA was renewed in May pursuant at the approval of a number of amendments to the Articles of Association introduced to make corporate governance more effective and efficient by simplifying the management system. The most important change concerns the reduction in the number of members of the Board of Directors and the Board of Statutory Auditors, which fell, respectively, from 10 to 7 and from 5 to 3.

Last June, in line with the provisions of the 2007 Finance act, CIPE approved the guidelines for extending the scope of SACE's activities and the range of insurable subjects. SACE may now guarantee operations of significant strategic and employment interest usually referring to the sector of energy networks and infrastructure, physical or transport infrastructures and large-scale commercial or investment projects. As concerns Group organisation, an **internal reorganisation** was undertaken in the first half of the year to improve the incisiveness of the distribution structure in order to take advantage of positive growth expectations for 2008 and new operating scenarios.

In the first six months of the year the Group reinforced its own internationalisation strategy through the acquisition, together with the Belgium company, Ducroire/Delcredere (ONDD Group), of a majority shareholding (66%) in KUP, the Czech Republic leading credit insurance company. The Czech Republic is one of the most important East European markets on account, in addition, of its specific geographical location, which makes it a strategic reference point for expansion within the entire region.

The SACE Group provides credit insurance, investment protection and surety bonds through the coverage of political and commercial risks. SACE SpA has an AA2 rating from Moody's.